Patricia M. French
Senior Attorney

NiSource Corporate Services

300 Friberg Parkway
Westborough, Massachusetts 01581
(508) 836-7394
(508) 836-7039 (facsimile)
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August 24, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Record Requests:

From the Attorney General:

RR-AG-72 RR-AG-77 RR-AG-78 RR-AG-92

RR-AG-96 RR-AG-98

From the Department:

RR-DTE-153 RR-DTE-167

From the USWA:

RR-USWA-10 (Supp.) RR-USWA-11 RR-USWA-13

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)
A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)
Andreas Thanos, Assistant Director, Gas Division (1 copy)
Alexander Cochis, Assistant Attorney General (4 copies)
Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: August 24, 2005

Responsible: Danny G. Cote, General Manager

RR-AG-72: Provide a detailed ROR analysis in List Item 8 on Revised Attachment DTE-3-22, page 215 to include the future revenue anticipated at the time the project was conceived that provided the 12 percent rate of return; and the detail actual costs of mains, services, overheads and meters for the project ID S99D1091.

Response: Please see Attachment RR-AG-72, page 1 of 22, for a detailed ROR analysis for List Item 8 on the Attachment DTE-3-22 Revised and the future revenue amount anticipated at the time the project was conceived. Please see Attachment RR-AG-72, page 2 for a project summary and page 3 through page 22, for the Work Order Management System ("WOMS") Work Order Cost Detail reports for the main costs and the Asset Management AM610 report for average service costs data.

PRE - CONSTRUCTION RATE OF RETURN (ROR) CALCULATED FROM INFORMATION EXTRACTED FROM BAY STATE GAS SALES SYSTEM

Project: **The Ranch / Sunnyside Acres**
SouthWick, MA

Year	Capital	Total Investment	Revenue	O&M	Average Property Tax	Discount Rate	Effective Tax Rate
1	$35,607	$35,607	$4,056	$1,330	$14.88	8.70%	38.00%
2	8,380	8,380	9,126	2,842			
3	28,005	28,005	15,210	4,596			
4	21,834	21,834	22,308	6,433			
5	17,142	17,142	26,871	7,479			
Total	$110,968	$110,968	$77,571	$22,679			

Results Summary

	55 Yrs.	35 Yrs.	15 Yrs.	10 Yrs.	5 Yrs.
* IRR	11.75%	11.49%	7.19%	-0.35%	#NUM!
* NPV	$32,593	$26,543	($8,078)	($31,302)	($67,291)
* Customer Con	$0	$0	$13,029	$50,488	$108,533

Year	Investment	Revenue	O&M	Property Tax	Profit Before Taxes	Depreciation 20 Year Class	Income Taxes	Total Net Income	Total Net Cash Flow	P.V. OF Cash Flow	Payback Calculation	Payback Period
									($35,607)	($35,607)	($35,607)	0
1	$35,607	$4,056	$1,330	$530	$2,197	$1,335	$327	$534	($6,511)	($5,990)	($41,597)	1
2	8,380	9,126	2,842	510	5,774	2,570	1,218	1,986	(23,448)	(19,845)	(61,441)	2
3	28,005	15,210	4,596	472	10,142	3,428	2,552	4,163	(14,243)	(11,090)	(72,531)	3
4	21,834	22,308	6,433	436	15,439	5,040	3,952	6,447	(5,655)	(4,050)	(76,582)	4
5	17,142	26,871	7,479	404	18,989	6,123	4,889	7,977	14,100	9,291	(67,291)	5
6		26,871	7,479	373	19,019	6,307	4,831	7,881	14,188	8,601	(58,689)	6
7		26,871	7,479	345	19,047	5,834	5,021	8,192	14,026	7,822	(50,867)	7
8		26,871	7,479	319	19,073	5,396	5,197	8,479	13,876	7,119	(43,748)	8
9		26,871	7,479	295	19,097	5,091	5,322	8,684	13,775	6,502	(37,247)	9
10		26,871	7,479	272	19,121	4,828	5,431	8,861	13,689	5,944	(31,302)	10
11		26,871	7,479	248	19,144	4,664	5,503	8,978	13,642	5,449	(25,853)	11
12		26,871	7,479	225	19,168	4,587	5,541	9,040	13,627	5,008	(20,845)	12
13		26,871	7,479	201	19,191	4,577	5,553	9,061	13,638	4,611	(16,235)	13
14		26,871	7,479	177	19,215	4,577	5,563	9,076	13,653	4,246	(11,988)	14
15		26,871	7,479	154	19,239	4,577	5,571	9,090	13,667	3,911	(8,078)	15
16		26,871	7,479	130	19,262	4,577	5,581	9,105	13,682	3,601	(4,476)	16
17		26,871	7,479	106	19,286	4,577	5,589	9,119	13,697	3,317	(1,160)	17
18		26,871	7,479	83	19,310	4,577	5,599	9,134	13,711	3,055	1,895	18
19		26,871	7,479	59	19,333	4,577	5,607	9,149	13,726	2,813	4,708	19
20		26,871	7,479	35	19,357	4,577	5,617	9,164	13,740	2,591	7,299	20
21		26,871	7,479	12	19,381	3,783	5,927	9,671	13,453	2,334	9,632	21
22		26,871	7,479	(0)	19,392	2,988	6,234	10,171	13,159	2,100	11,732	22
23		26,871	7,479	0	19,392	2,364	6,471	10,558	12,921	1,897	13,629	23
24		26,871	7,479	0	19,392	1,252	6,893	11,247	12,499	1,688	15,317	24
25		26,871	7,479	0	19,392	382	7,224	11,786	12,169	1,512	16,829	25
26		26,871	7,479	0	19,392	0	7,369	12,023	12,023	1,374	18,203	26
27		26,871	7,479	0	19,392	0	7,369	12,023	12,023	1,264	19,467	27
28		26,871	7,479	0	19,392	0	7,369	12,023	12,023	1,163	20,630	28
29		26,871	7,479	0	19,392	0	7,369	12,023	12,023	1,070	21,700	29
30		26,871	7,479	0	19,392	0	7,369	12,023	12,023	984	22,684	30
31		26,871	7,479	0	19,392	0	7,369	12,023	12,023	906	23,590	31
32		26,871	7,479	0	19,392	0	7,369	12,023	12,023	833	24,423	32
33		26,871	7,479	0	19,392	0	7,369	12,023	12,023	766	25,189	33
34		26,871	7,479	0	19,392	0	7,369	12,023	12,023	705	25,894	34
35		26,871	7,479	0	19,392	0	7,369	12,023	12,023	649	26,543	35
36		26,871	7,479	0	19,392	0	7,369	12,023	12,023	597	27,140	36
37		26,871	7,479	0	19,392	0	7,369	12,023	12,023	549	27,689	37
38		26,871	7,479	0	19,392	0	7,369	12,023	12,023	505	28,194	38
39		26,871	7,479	0	19,392	0	7,369	12,023	12,023	465	28,658	39
40		26,871	7,479	0	19,392	0	7,369	12,023	12,023	427	29,086	40
41		26,871	7,479	0	19,392	0	7,369	12,023	12,023	393	29,479	41
42		26,871	7,479	0	19,392	0	7,369	12,023	12,023	362	29,841	42
43		26,871	7,479	0	19,392	0	7,369	12,023	12,023	333	30,173	43
44		26,871	7,479	0	19,392	0	7,369	12,023	12,023	306	30,479	44
45		26,871	7,479	0	19,392	0	7,369	12,023	12,023	282	30,761	45
46		26,871	7,479	0	19,392	0	7,369	12,023	12,023	259	31,020	46
47		26,871	7,479	0	19,392	0	7,369	12,023	12,023	238	31,259	47
48		26,871	7,479	0	19,392	0	7,369	12,023	12,023	219	31,478	48
49		26,871	7,479	0	19,392	0	7,369	12,023	12,023	202	31,680	49
50		26,871	7,479	0	19,392	0	7,369	12,023	12,023	186	31,865	50
51		26,871	7,479	0	19,392	0	7,369	12,023	12,023	171	32,036	51
52		26,871	7,479	0	19,392	0	7,369	12,023	12,023	157	32,193	52
53		26,871	7,479	0	19,392	0	7,369	12,023	12,023	144	32,337	53
54		26,871	7,479	0	19,392	0	7,369	12,023	12,023	133	32,470	54
55		26,871	7,479	0	19,392	0	7,369	12,023	12,023	122	32,593	55
56		26,871	7,479	0	19,392	0	7,369	12,023	(98,945)	(926)	31,667	56
Total	110,968	1,447,992	404,087	5,387	1,038,518	102,588	355,653	580,276	460,928	31,667	285,922	

Bay State Gas Company
Southwick / Sunnyside Ranch Road, Project S99D1091

PRE CONSTRUCTION
Project Assumptions & Summary

Originally, in 1999, the project was segmented into two authorizations, one for the residential and one for the C&I portion. It was anticipated to be a 5 year project with the C&I customers to be connected first to the distribution system. The combined 5 year project rate of return (ROR) was 10.4%

In 2001, the first segment was constructed. In 2002, before the residential segment was constructed new cost estimates and a new rate of return (ROR) were calculated. The revised ROR for the residential segment was 12%.

Capital & O&M Costs	1999 Estimate Residential	1999 Estimate C & I	1999 Estimate Total	2002 Estimate Residential	C & I	2002 Estimate Total
Mains	$ 55,197	$ 29,562	$ 84,759	$ 66,554	$ -	$ 66,554
Services	42,000	4,523	46,523	39,750	-	39,750
Meters	6,380	5,122	11,502	4,664	-	4,664
Total	103,577	39,207	142,784	110,968	-	110,968
Average O&M per meter	166	206	372	166	-	166
Total O&M	9,130	618	9,748	8,798	-	8,798
Revenue & Load						
Average heat load (Mcf) per meter	133	442		133	-	
Average base load (Mcf) per meter	27	285		27	-	
Total average load (Mcf) per meter	160	726		160	-	
Revenue per meter	$ 507	$ 1,675		$ 507	$ -	
Total Revenue	27,885	5,025	32,910	26,871	-	26,871
Number of meters	55	3	55	53	-	53
Rate of Return (ROR)	**12.4%**	**8.0%**	**10.4%**	**11.8%**	**NA**	**10.4%**

POST CONSTRUCTION
Project Assumptions & Summary

	Residential	C & I	Total
Mains	$ 168,956	$ -	168,956
Services	5,940	5,158	11,098
Meters	594	3,337	3,931
Total	175,490	8,495	183,985
Average O&M per meter	166	183	349
Total O&M	830	366	1,196
Average heat load (Mcf) per meter	133	401	
Average base load (Mcf) per meter	27	-	
Total average load (Mcf) per meter	160	401	
Revenue per meter	$ 507	$ 1,137	
Total Revenue	2,535	2,274	4,809
Number of meters	5	2	7
Rate of Return (ROR)	**0.0%**	**15.0%**	**0.0%**

Project ID: S99D1091
From Date: 12/31/1992
To Date: 12/31/2004

Bay State Gas - Work Management System
Detail Project Cost Report

Report Date: 6/13/2005
Report Time: 7:15:14PM

Work Code	Town Code	At Street	Work Order	Pipe Type	Pipe Size	Comp Units	Hours	Labor	Purchases	Materials	Direct Cost	Average Cost	Overhead
MNNR	203	0 Greenview	4908406 - 1	PP	2"								
		Subtotal for Greenview:											
MNNR	203	0 Overlook	4908458 - 1	PP	2"								
		Subtotal for Overlook:											
MNNR	203	0 Pondview	4908475 - 1	PP	2"	1,117							
		Subtotal for Pondview:				1117							
MNNR	203	0 Ranch Club	4403562 - 1 A	PP	2"	507	0.00	0.00	1,600.94	532.56	2,133.50	4.21	202.87
MNNR	203	0 Ranch Club	4908389 - 1 A	PP	2"								
		Subtotal for Ranch Club:				507	0.00	0.00	1,600.94	532.56	2,133.50	4.21	202.87
MNNR	203	0 Sugar Maple	4908442 - 1	PP	2"								
		Subtotal for Sugar Maple:											
B MNNR	203	0 Sunnyside	1917378 - 1 B	PP	4"	423	9.89	271.53	13,624.48	6,175.65	20,071.66	47.45	568.99
C MNNR	203	0 Sunnyside	4266212 - 1 C	PP	4"	3,094	0.00	0.00	70,303.86	2,672.30	72,976.16	23.59	4,899.96
D MNNR	203	0 Sunnyside	4457194 - 1 D	CS	4"	140	0.00	0.00	1,524.46	33.88	1,558.34	11.13	2,000.00
E MNNR	203	0 Sunnyside	4908463 - 1 E	PP	4"	2,143	0.00	0.00	59,668.73	3,483.59	63,152.32	29.47	1,393.42
		Subtotal for Sunnyside:				5800	9.89	271.53	145,121.53	12,365.42	157,758.48	27.20	8,862.37
		Subtotal for Output No. : 151				7,424	9.89	271.53	146,722.47	12,897.98	159,891.98	21.54	9,065.24
		Total for Project ID : S99D1091				7,424	9.89	271.53	146,722.47	12,897.98	159,891.98	21.54	9,065.24

MAIN WORK ORDER Reference Schedule

See ATTACHMENTS

ogram: wwrpt130.p
Date: 01/14/2005
eq By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

==========
REPORT PARAMETERS
==========

MAIN

Report Type : Detail
Work Order# : 4403562 ← (A)
Division : Springfield
Work Type : Distribution
Work Category : (All)
Work Code : (All)
Comp/Cont : (All)
Project ID :
Output # : 0000
Source Code : (All)
From Period : 199301
To Period : 200412

Order#: 4403562 Task: 001 Project Id: S99D1091 Work Code: MNNRC Output#: 0151
Town/Street: Southwick/Ranch Club Stat: 99 09/30/2001

Type	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
E	07/13/01	2013110000	02260	AD	99013082	2273KUDLIC BROS., INC.	1609	0.00	1,600.94
						**Total PURCHASES		0.00	1,600.94
M	06/20/01	2013110000	02140	IS	1881	5 IN DIA. PLASTIC ROADWAY BOX	2209	0.00	18.70
M	06/20/01	2013110000	02140	IS	1881	5"DIA.ABS. PLASTIC ROADWAY BOX	2209	0.00	31.98
M	08/10/01	2013110000	02115	IS	44035	2 IN IPS PE3408 PLEXSTRIPE II	2206	0.00	274.96
M	08/10/01	2013110000	02115	IS	44035	2"IPS PE3408 POLY BALL VALVE	2209	0.00	206.92
						**Total MATERIALS		0.00	532.56
I	06/20/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	3.74
I	06/20/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	6.39
I	08/10/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	109.98
I	08/10/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	82.76
						**Total OVERHEADS		0.00	202.87
	**Task:	4403562-				Task Units:			507.00
						Task Direct Total:			2,133.50
						Direct Avg Cost:			4.21
						Task Total:			2,336.37
						Total Avg Cost:			4.61

Continued on next page...

cogram: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

Time: 14:01:31

EPORT TOTALS

Hours:	0.00
Labor:	0.00
Purchases:	1,600.94
Materials:	532.56
Units:	507
Direct Total:	2,133.50
Overhead:	202.87
Total:	2,336.37
Direct Avg Cost:	4.21
Total Avg Cost:	4.61

nd of Report

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

REPORT PARAMETERS

main work

Report Type : Detail
Order# : 1917378 ← (B)
Division : Springfield
Work Type : Distribution
Work Category : (All)
Work Code : (All)
Comp/Cont : (All)
Project ID :
Output # : 0000
Source Code : (All)
From Period : 199301
To Period : 200412

Program: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

Order#: 1917378 Task: 001 Project Id: S99D1091 Work Code: MNNRC Output#: 0151
Town/Street: Southwick/Sunnyside Stat: 99 03/31/2001

Type	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
L	11/11/00	2013110000	02115	PW	861	PAYROLL EXPENSE	6002	3.46	84.95
L	11/11/00	2013110000	02115	PW	861	PAYROLL EXPENSE	6005	1.13	41.81
L	11/11/00	2013110000	02115	PW	861	PAYROLL EXPENSE	6008	0.00	1.16
L	12/01/00	2013110000	02115	PW	861	PAYROLL EXPENSE	6002	4.22	103.68
L	12/01/00	2013110000	02115	PW	861	PAYROLL EXPENSE	6005	1.08	39.93
						**Total LABOR		9.89	271.53
E	04/30/00	2013110000	02140	AD	040700PE	999134638COMM OF MA-HIGHWAY DE	0806	0.00	500.00
E	10/31/00	2013110000	02260	AD	101100	16182ALFRED MELIEN	0806	0.00	360.00
E	11/27/00	2013110000	02260	AD	99012728	2273KUDLIC BROS., INC.	1609	0.00	778.70
E	11/27/00	2013110000	02260	AD	99012729	2273KUDLIC BROS., INC.	1609	0.00	1,671.18
E	11/27/00	2013110000	02260	AD	99012730	2273KUDLIC BROS., INC.	1609	0.00	487.36
E	11/30/00	2013110000	02140	AD	110100PE	15764PETTY CASH CHEAWANDA	2201	0.00	53.64
E	11/30/00	2013110000	02260	AD	SUNNYSID	4335ENVIRONMENTAL SERVICE	0806	0.00	1,390.00
E	12/15/00	2013110000	02260	AD	99016204	2273KUDLIC BROS., INC.	1609	0.00	5,595.30
E	12/30/00	2013110000	02260	AD	00-125-D	4548SOUTHWICK POLICE DEPA	1606	0.00	1,277.10
E	12/31/00	2013110000	02140	AD	121200PE	15764PETTY CASH CHEAWANDA	0806	0.00	14.00
E	12/31/00	2013110000	02260	AD	00-132-D	4548SOUTHWICK POLICE DEPA	1606	0.00	564.00
E	01/17/01	2013110000	02260	AD	99015449	2273KUDLIC BROS., INC.	1609	0.00	933.20
						**Total PURCHASES		0.00	13,624.48
M	11/08/00	2013110000	02260	IS	1043	4IN IPS ELECTROFUSION COUPLING	2207	0.00	24.50
M	11/08/00	2013110000	02260	IS	1042	4"IPS PLEXCO BUTT TEE	2207	0.00	26.24
M	11/08/00	2013110000	02260	IS	1043	2"IPS PLEXCO 90D BUTT ELBOW	2207	0.00	6.42
M	11/08/00	2013110000	02260	IS	1042	4"IPS PLEXCO 90D BUTT ELBOW	2207	0.00	11.93
M	11/08/00	2013110000	02260	IS	1043	6"IPS X 2"IPS ELECTROFUSION	2207	0.00	155.10
M	11/08/00	2013110000	02260	IS	1042	4"IPS PLEXCO BUTT REDUCER	2207	0.00	19.14
M	11/08/00	2013110000	02260	IS	1042	4 IN IPS PE3408 PLEXSTRIPE II	2206	0.00	126.40
M	11/09/00	2013110000	02260	IS	1043	4 IN IPS PE3408 PLEXSTRIPE II	2206	0.00	1,832.80
M	11/13/00	2013110000	02260	IS	0978	4 IN IPS PE3408 PLEXSTRIPE II	2206	0.00	3,665.60
M	01/31/01	2013110000	02AL	SS		WOMS SPREAD ACCOUNTS	2218	0.00	307.52
						**Total MATERIALS		0.00	6,175.65
I	11/15/00	2013110000	02AL	FR	FR	FRINGE BENEFITS	4007	0.00	31.98
I	11/20/00	2013110000	02AL	IL	IL	INDIRECT LABOR	4013	0.00	255.84
I	11/25/00	2013110000	02AL	NT	NT	NON PROD LABOR	4014	0.00	31.98
I	11/30/00	2013110000	02AL	VC	VC	VEHICLE CLEARING 001917378001	4001	0.00	42.11
I	12/15/00	2013110000	02AL	FR	FR	FRINGE BENEFITS	4007	0.00	35.90
I	12/20/00	2013110000	02AL	IL	IL	INDIRECT LABOR	4013	0.00	107.71
I	12/25/00	2013110000	02AL	NT	NT	NON PROD LABOR	4014	0.00	21.54
I	12/31/00	2013110000	02AL	VC	VC	VEHICLE CLEARING 001917378001	4001	0.00	41.93
						**Total OVERHEADS		0.00	568.99
	**Task:	1917378-				Task Units:			423.00
						Task Direct Total:			20,071.66
						Direct Avg Cost:			47.45

Continued on next page...

ogram: wwrpt130.p
Date: 01/14/2005
eq By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

pe	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
						Task Total:			20,640.65
						Total Avg Cost:			48.80

ntinued on next page...

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

REPORT TOTALS

Hours:	9.89
Labor:	271.53
Purchases:	13,624.48
Materials:	6,175.65
Units:	423
Direct Total:	20,071.66
Overhead:	568.99
Total:	20,640.65
Direct Avg Cost:	47.45
Total Avg Cost:	48.80

End of Report

MAIN WORK ← (C)

```
================================
REPORT  PARAMETERS
================================

      Report Type : Detail
          Order# : 4266212
        Division : Springfield
       Work Type : Distribution
   Work Category : (All)
       Work Code : (All)
       Comp/Cont : (All)
      Project ID :
        Output # : 0000
     Source Code : (All)
     From Period : 199301
       To Period : 200412
```

Program: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

Order#: 4266212 Task: 001 Project Id: S99D1091 Work Code: MNNRC Output#: 0151
Town/Street: Southwick/Sunnyside Stat: 99 07/31/2001

Type	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
:	05/03/01	2013110000	02260	AD	99015455	2273KUDLIC BROS., INC.	1609	0.00	1,540.56
:	05/14/01	2013110000	02260	AD	99013444	2273KUDLIC BROS., INC.	1609	0.00	1,535.40
:	05/14/01	2013110000	02260	AD	99016282	2273KUDLIC BROS., INC.	1609	0.00	2,036.56
:	05/14/01	2013110000	02260	AD	99016284	2273KUDLIC BROS., INC.	1609	0.00	2,036.56
:	05/14/01	2013110000	02260	AD	99016287	2273KUDLIC BROS., INC.	1609	0.00	2,485.88
:	05/14/01	2013110000	02260	AD	99016288	2273KUDLIC BROS., INC.	1609	0.00	1,068.70
:	05/31/01	2013110000	02115	AD	LT01-39	4891HAMPDEN COUNTY SHERIF	1606	0.00	132.00
:	05/31/01	2013110000	02115	AD	050401	4891HAMPDEN COUNTY SHERIF	1606	0.00	445.50
:	05/31/01	2013110000	02115	AD	050501	13842COMM. OF MASSACHUSETT	1606	0.00	662.20
:	05/31/01	2013110000	02115	AD	01-45-DV	4548SOUTHWICK POLICE DEPA	1606	0.00	980.10
:	05/31/01	2013110000	02115	AD	LT01-53	4891HAMPDEN COUNTY SHERIF	1606	0.00	280.50
:	05/31/01	2013110000	02115	AD	13331	8001WESTFIELD POLICE DEPT	1606	0.00	262.15
:	05/31/01	2013110000	02115	AD	12858	8001WESTFIELD POLICE DEPT	1606	0.00	262.15
:	05/31/01	2013110000	02260	AD	99013438	2273KUDLIC BROS., INC.	1609	0.00	5,710.69
:	05/31/01	2013110000	02260	AD	99013440	2273KUDLIC BROS., INC.	1609	0.00	2,308.69
:	05/31/01	2013110000	02260	AD	99013445	2273KUDLIC BROS., INC.	1609	0.00	3,027.09
:	05/31/01	2013110000	02260	AD	99013462	2273KUDLIC BROS., INC.	1609	0.00	2,147.40
:	05/31/01	2013110000	02260	AD	99013464	2273KUDLIC BROS., INC.	1609	0.00	5,494.60
:	05/31/01	2013110000	02260	AD	99013473	2273KUDLIC BROS., INC.	1609	0.00	8,125.31
:	05/31/01	2013110000	02260	AD	99013482	2273KUDLIC BROS., INC.	1609	0.00	2,542.04
:	05/31/01	2013110000	02260	AD	99013484	2273KUDLIC BROS., INC.	1609	0.00	1,540.56
:	05/31/01	2013110000	02260	AD	99013488	2273KUDLIC BROS., INC.	1609	0.00	5,487.84
:	06/01/01	2013110000	02260	AD	99013441	2273KUDLIC BROS., INC.	1609	0.00	5,583.77
:	06/30/01	2013110000	02115	AD	01-49-DV	4548SOUTHWICK POLICE DEPA	1606	0.00	3,148.20
:	06/30/01	2013110000	02115	AD	12860	8001WESTFIELD POLICE DEPT	1606	0.00	262.15
:	06/30/01	2013110000	02115	AD	01-52-DV	4548SOUTHWICK POLICE DEPA	1606	0.00	237.60
:	06/30/01	2013110000	02115	AD	052901	13842COMM. OF MASSACHUSETT	1606	0.00	970.20
:	06/30/01	2013110000	02115	AD	060901	13842COMM. OF MASSACHUSETT	1606	0.00	246.40
:	07/31/01	2013110000	02115	AD	01-65-DV	4548SOUTHWICK POLICE DEPA	1606	0.00	237.60
:	07/31/01	2013110000	02115	AD	14103	8001WESTFIELD POLICE DEPT	1606	0.00	119.84
:	07/31/01	2013110000	02115	AD	13936	8001WESTFIELD POLICE DEPT	1606	0.00	119.84
:	08/31/01	2013110000	02260	AD	002241A	2273KUDLIC BROS., INC.	1609	0.00	9,265.78
						**Total PURCHASES		0.00	70,303.86
1	04/30/01	2013110000	02140	IS	1881	4IN IPS X 4IN IPS TRANSITION	2207	0.00	48.18
1	04/30/01	2013110000	02140	IS	1881	4"IPS PLEXCO BUTT TEE	2207	0.00	13.12
1	04/30/01	2013110000	02140	IS	1881	4 IN 90 DEG. LR WELD ELBOW	2207	0.00	14.75
1	04/30/01	2013110000	02140	IS	1881	4"IPS PLEXCO BUTT REDUCER	2207	0.00	12.76
1	04/30/01	2013110000	02140	IS	1881	4 IN IPS POLYVALVE BALL VALVE	2209	0.00	785.07
1	04/30/01	2013110000	02140	IS	1881	4.500 OD .188 WALL STEEL PIPE	2206	0.00	846.00
1	04/30/01	2013110000	02140	IS	1881	4 IN 45 DEG. LR WELD ELBOW	2207	0.00	19.60
1	04/30/01	2013110000	02140	IS	1881	2"X75' 35MIL TAPECOAT H35 GREY	2209	0.00	108.53
1	04/30/01	2013110000	02140	IS	1881	6 IN INSUL. FIBERGLASS SPACER	2209	0.00	5.04
1	04/30/01	2013110000	02140	IS	1881	OMNI-PRIME PRIMER	2209	0.00	41.01
1	05/04/01	2013110000	02140	IS	1881	4 IN 90 DEG. LR WELD ELBOW	2207	0.00	29.50
1	05/31/01	2013110000	02AL	SS		WOMS SPREAD ACCOUNTS	2218	0.00	748.74
						**Total MATERIALS		0.00	2,672.30

Continued on next page...

ogram: wwrpt130.p
Date: 01/14/2005
teq By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

pe	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	48.18
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	13.12
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	14.75
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	12.76
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	785.07
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	846.00
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	19.60
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	108.53
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	5.04
	04/30/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	41.01
	05/04/01	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	5.90
	08/31/01	2013110000	02115	88	88	payroll accrual adj	6002	0.00	3,000.00
						**Total OVERHEADS		0.00	4,899.96
	**Task:	4266212-				Task Units:			3,094.00
						Task Direct Total:			72,976.16
						Direct Avg Cost:			23.59
						Task Total:			77,876.12
						Total Avg Cost:			25.17

ontinued on next page...

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

REPORT TOTALS

Hours:	0.00
Labor:	0.00
Purchases:	70,303.86
Materials:	2,672.30
Units:	3094
Direct Total:	72,976.16
Overhead:	4,899.96
Total:	77,876.12
Direct Avg Cost:	23.59
Total Avg Cost:	25.17

End of Report

ogram: wwrpt130.p
Date: 01/14/2005
eq By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

REPORT PARAMETERS

MAIN work Order# : 4457194 ← D

Report Type	Detail
Order#	4457194
Division	Springfield
Work Type	Distribution
Work Category	(All)
Work Code	(All)
Comp/Cont	(All)
Project ID	
Output #	0000
Source Code	(All)
From Period	199301
To Period	200412

Program: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

Order#: 4457194 Task: 001 Project Id: S99D1091 Work Code: MNNRC Output#: 0151
Town/Street: Southwick/Sunnyside Stat: 99 07/31/2001

Type	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
E	05/31/01	2013110000	02AL	VS		WOMS SPREAD ACCOUNTS	2219	0.00	1,524.46
						**Total PURCHASES		0.00	1,524.46
M	05/31/01	2013110000	02AL	SS		WOMS SPREAD ACCOUNTS	2218	0.00	33.88
						**Total MATERIALS		0.00	33.88
I	08/31/01	2013110000	02115	88	88	payroll accrual adj	6002	0.00	2,000.00
						**Total OVERHEADS		0.00	2,000.00
	**Task:	4457194-				Task Units:			140.00
						Task Direct Total:			1,558.34
						Direct Avg Cost:			11.13
						Task Total:			3,558.34
						Total Avg Cost:			25.42

Continued on next page...

rogram: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

EPORT TOTALS

Hours:	0.00
Labor:	0.00
Purchases:	1,524.46
Materials:	33.88
Units:	140
Direct Total:	1,558.34
Overhead:	2,000.00
Total:	3,558.34
Direct Avg Cost:	11.13
Total Avg Cost:	25.42

nd of Report

ogram: wwrpt130.p
Date: 01/14/2005
:q By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

Page: 1
Time: 14:39:11

==========
REPORT PARAMETERS
==========

MAIN

Report Type : Detail
Work Order# : 4908463 ← (E)
Division : Springfield
Work Type : Distribution
Work Category : (All)
Work Code : (All)
Comp/Cont : (All)
Project ID :
Output # : 0000
Source Code : (All)
From Period : 199301
To Period : 200412

Program: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

Order#: 4908463 Task: 001 Project Id: S99D1091 Work Code: MNNRC Output#: 0151
Town/Street: Southwick/Sunnyside Stat: 99 10/31/2003

Type	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
	05/15/03	2013110000	02260	AD	039077	2273KUDLIC BROS., INC.	1609	0.00	3,211.34
	05/15/03	2013110000	02260	AD	039078	2273KUDLIC BROS., INC.	1609	0.00	4,843.87
	05/22/03	2013110000	02260	AD	039083	2273KUDLIC BROS., INC.	1609	0.00	3,879.96
	05/22/03	2013110000	02260	AD	039089	2273KUDLIC BROS., INC.	1609	0.00	4,737.80
	05/22/03	2013110000	02260	AD	039090	2273KUDLIC BROS., INC.	1609	0.00	4,737.80
	05/22/03	2013110000	02260	AD	039096	2273KUDLIC BROS., INC.	1609	0.00	4,640.46
	05/22/03	2013110000	02260	AD	039099	2273KUDLIC BROS., INC.	1609	0.00	4,640.46
	06/19/03	2013110000	02260	AD	012352	2273KUDLIC BROS., INC.	1609	0.00	865.98
	06/19/03	2013110000	02260	AD	014944	2273KUDLIC BROS., INC.	1609	0.00	1,765.59
	06/24/03	2013110000	02260	AD	039109	2273KUDLIC BROS., INC.	1609	0.00	1,692.66
	06/30/03	2013110000	02140	AD	03-54-DV	19122SOUTHWICK POLICE DEPA	1606	0.00	2,449.07
	06/30/03	2013110000	02140	AD	CASH0618	8001WESTFIELD POLICE DEPT	1606	0.00	239.68
	06/30/03	2013110000	02140	AD	03-59-DV	19122SOUTHWICK POLICE DEPA	1606	0.00	1,530.65
	06/30/03	2013110000	02140	AD	03-66-DV	19122SOUTHWICK POLICE DEPA	1606	0.00	269.20
	07/29/03	2013110000	02260	AD	039116	2273KUDLIC BROS., INC.	1609	0.00	7,539.84
	07/31/03	2013110000	02140	AD	30043	2501HAWKEYE CONSTRUCTION	1630	0.00	110.00
	07/31/03	2013110000	02260	AD	012371	2273KUDLIC BROS., INC.	1609	0.00	11,037.19
	08/31/03	2013110000	02115	AD	CASH0725	19799CITY OF WESTFIELD	1606	0.00	239.68
	08/31/03	2013110000	02140	AD	30357	17269HAWKEYE CONSTRUCTION	1630	0.00	27.50
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	110.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	165.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	110.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	110.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	165.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	55.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	110.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	110.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	110.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	55.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	55.00
	12/31/03	2013110000	02140	AD	29861	17269HAWKEYE CONSTRUCTION	1630	0.00	55.00
						**Total PURCHASES		0.00	59,668.73
1	05/06/03	2013110000	02140	IS	1995	4"IPS PLEXCO BUTT REDUCER	2207	0.00	6.38
1	05/06/03	2013110000	02140	IS	1995	4 IN IPS POLYVALVE BALL VALVE	2209	0.00	261.69
1	05/06/03	2013110000	02140	IS	1995	4 IN IPS PE3408 PLASTIC	2206	0.00	3,215.52
						**Total MATERIALS		0.00	3,483.59
	05/06/03	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	2.55
	05/06/03	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	104.67
	05/06/03	2013110000	02AL	MS	MS	STORES CLEARING	4002	0.00	1,286.20
						**Total OVERHEADS		0.00	1,393.42
	**Task:	4908463-				Task Units:			2,143.00
						Task Direct Total:			63,152.32
						Direct Avg Cost:			29.47

Continued on next page...

gram: wwrpt130.p
Date: 01/14/2005
q By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

e	Tran Dt	Acct #	Acct Unit	Source Code	Reference	Vendor/Description	Cost Cat	Units	Cost
						Task Total:			64,545.74
						Total Avg Cost:			30.12

tinued on next page...

rogram: wwrpt130.p
Date: 01/14/2005
Req By: Doug Casey

Bay State Gas Company
Work Order Management System
Work Order Cost Detail

EPORT TOTALS

Hours:	0.00
Labor:	0.00
Purchases:	59,668.73
Materials:	3,483.59
Units:	2143
Direct Total:	63,152.32
Overhead:	1,393.42
Total:	64,545.74
Direct Avg Cost:	29.47
Total Avg Cost:	30.12

nd of Report

Report Source
AM610 = Asset Management 610

Aged Balance Report in Summary or Detail
Run Option DETAIL

		In Service Year	Book Basis	Quantity	Average Cost Per Unit
		2004	1,086.72	1,685	.64
Sub-Type: PP02	Total:		244,126.01	40,092	6.08
Division: 2	Location: MA203		Asset Type: 367		Sub Type: PP04
		1987	15,750.14	1,812	8.69
		1988	50,369.84	3,590	14.03
		1990	150,964.74	6,436	23.45
		1991	5,528.20	116	47.65
		1994	41,212.39	2,291	17.98
		1996	13,217.74	1,480	8.93
		1997	55,109.89	7,620	7.23
		1998	24,289.78	3,178	7.64
		1999	231.75	1	231.75
		2001	98,846.81	3,519	28.08
		2002	30.17-	1	30.17-
		2003	64,545.74	2,144	30.10
Sub-Type: PP04	Total:		520,036.85	32,188	16.15
Division: 2	Location: MA203		Asset Type: 367		Sub Type: PP06
		1987	73,108.17	5,378	13.59
		1988	138,279.28	7,834	17.65
		1990	160,386.02	5,776	27.76
		1992	103,500.88	7,689	13.46
		1993	1,072.92	1	1,072.92
Sub-Type: PP06	Total:		476,347.27	26,678	17.85
Asset-Type: 367	Total:		1,366,658.70	101,092	13.51
Division: 2	Location: MA203		Asset Type: 380		Sub Type: 00
		1987	7,206.59	21	343.17
		1988	21,578.49	27	799.20
		1989	22,689.32	17	1,334.66
		1990	28,446.02	25	1,137.84
		1991	9,356.48	6	1,559.41
		1992	7,043.99	11	640.36
		1993	11,773.22	9	1,308.13
		1994	28,767.54	34	846.10
		1995	30,589.53	32	955.92
		1996	9,425.59	10	942.55
		1997	32,537.60	28	1,162.05
		1998	18,591.19	24	774.63
		1999	14,890.41	20	744.52
		2000	16,447.73	24	685.32
		2001	21,901.27	19	1,152.69
		2002	73,801.94	53	1,392.48
		2003	45,147.54	38	1,188.09

367

USED AS BASIS OF SERVICE COSTS CHARGED TO BLANKET ALLOCATION.

LOCATION 203 - SOUTHWICK
ASSET TYPE 380 = SERVICES
SUB TYPE 00 = RESIDENTIAL

AVERAGE COSTS FOR SERVICE @ 1,188.09

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: August 24, 2005

Responsible: Stephen H. Bryant, President

RR-AG-77: RR-AG-7 provided a copy of a previous operational services agreement between Bay State and Northern Utilities. The 2003 redlined document referenced a Schedule A, which was not included with the submittal. If any attachments or schedules were a part of this document, please provide them, or indicate that there are none.

Response: Attachment RR-AG-77 is a copy of the Operational Services Agreement Between Bay State Gas Company and Northern Utilities, Inc. ("Agreement"), as filed with the Department under cover of a letter dated April 25, 2003 (filing letter included). Schedule A of the Operational Services Agreement (see Attachment RR-AG-77, page 6 of 16) contains lists: (1) operational services available under the Agreement; (2) methods for charging for the operational services provided and (3) miscellaneous terms and conditions.

Bay State Gas
A NiSource Company

mes H. Keshian
enior Attorney
Legal Department

300 Friberg Parkway
Westborough, MA 01581
(508) 836.7363
Fax: (508) 836.7039
jkeshian@nisource.com

April 25, 2003

Ms. Mary L. Cottrell, Secretary
Department of Telecommunications & Energy
One South Station
Boston, MA 02110

Re: Operational Services Agreement Between Bay State Gas Company and Northern Utilities, Inc.

Dear Ms. Cottrell:

Enclosed for filing with the Department are three executed copies of the Operational Services Agreement ("Agreement") between Bay State Gas Company ("Bay State") and its affiliate, Northern Utilities, Inc. ("Northern"). The Agreement incorporates modifications recommended by the Maine Public Utilities Commission ("Maine PUC") and supercedes Bay State's previous filing of the Agreement with the Department dated November 22, 2002. This version of the Agreement was approved by the Maine PUC on March 3, 2003 and accepted by the New Hampshire Public Utilities Commission on April 14, 2003.

As compared to the form of Agreement filed on November 22, the enclosed Agreement includes some minor changes to the preamble to clarify certain language related to the apportionment of payments. It also includes certain substantive changes to the allocation method as set forth in Article III.2, which refines the allocation treatment of energy product and services charges. The Agreement also presents the Calculation of O&M Costs in a slightly different manner than the previous version.

The Agreement is being filed pursuant to the requirements of Chapter 164, § 85A of the General Laws of Massachusetts.

Please confirm your receipt of this submittal by stamping the enclosed copy of this letter and returning it to me in the envelope provided. My direct number is (508.836.7363) if you have any questions.

Sincerely,

James H. Keshian

JHK/dsm
Enclosure
cc: S. Bryant, V.P.
✓T. Birmingham

Operational Services Agreement

BETWEEN

BAY STATE GAS COMPANY

AND

NORTHERN UTILITIES, INC.

Effective Date

January 1, 2003

TABLE OF CONTENTS

OPERATIONAL SERVICES AGREEMENT

This Agreement is made as of January 1, 2003 by and between Bay State Gas Company (hereinafter called "Bay State") and its wholly owned subsidiary, Northern Utilities, Inc. (hereinafter called "Northern"). Bay State and Northern, collectively referred to herein as the "Companies".

The Companies are corporate affiliates in the NiSource Inc. System, which is comprised of NiSource Inc. and its corporate subsidiaries. Bay State and Northern each maintains an organization of personnel experienced in the operations of public utilities together with appropriate facilities and equipment through which each is prepared to furnish operational services to the other, as hereinafter provided.

The rendition of such services on a coordinated basis enables the recipients of such services to realize benefits through (1) efficient use of common operating management, personnel and equipment; (2) coordination of analysis and planning; and (3) availability of operating personnel and equipment which they may economically share.

All operating services will be performed at cost, which cost shall be fairly and equitably apportioned among such services, and in compliance with the Securities and Exchange Commission's rules promulgated under the Public Utility Holding Company Act of 1935.

The operational services to be rendered hereunder will be of substantially the same character and kind as each of Bay State and Northern presently perform for itself; and

NOW THEREFORE, Bay State and Northern, in consideration of the mutual agreements hereinafter contained, do hereby severally agree with each other that (1) Bay State and Northern may render to each other and Bay State and Northern will purchase from each other the operational services hereafter described at cost, and (2) the payments made by Bay State and Northern to each other hereunder shall be apportioned between their respective Bay State-Massachusetts (All), Bay State-Lawrence, Maine and New Hampshire retail service areas as appropriate and set forth in Schedule A, Exhibits 1, 2, and 3.

1. *Agreement to Furnish Services.* The operational services (and related equipment and materials) furnished hereunder shall be upon the terms and conditions set forth in Schedule A, which is attached hereto and constitutes a part hereof, such of the services described in Article II of said Schedule A, at such times, for such periods and in such manner, may from time to time be requested. Bay State and Northern will maintain organizations sufficient to render with efficiency and reasonable promptness such of the services described in Article II of said Schedule A as may reasonably be requested, but neither shall be obligated to perform any services hereunder without reasonable notice.

2. *Termination.* Either party hereto may terminate its participation in this Agreement upon not less than thirty (30) days' written notice to the other party; provided, however, that this Agreement shall be terminated automatically (i) to the extent that

performance under this Agreement may conflict with any rule, regulation or order of the Securities and Exchange Commission adopted before or after the making of this Agreement, or (ii) if this Agreement shall become invalid or illegal under any state law or under any rule, regulation or order of any state commission or other state body having jurisdiction in the premises.

3. *Regulatory Approval.* The parties hereto acknowledge that this Agreement shall not become effective until all required regulatory approvals have been obtained. The amounts of compensation, charges for service, price or any other amount to be paid by Bay State for services rendered by Northern shall be subject to review and determination by the Massachusetts Department of Telecommunications and Energy in any proceeding brought under section ninety-three or ninety-four of M.G.L. Chapter 164.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

BAY STATE GAS COMPANY

By: _____
Name: Stephen H. Bryant
Its: Vice President

NORTHERN UTILITIES, INC.

By: _____
Name: Danny G. Cote
Its: General Manager

Schedule A

Operational Services Available to Client
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Operational Services Agreement

ARTICLE I. *Definitions*

The term "Operational Services Agreement" shall mean an agreement, of which this Schedule A constitutes a part, for the rendition of operational services and furnishing of related equipment and materials.

1. The term "Client" means the corporation (Bay State or Northern) to which operational services may be rendered under this Operational Services Agreement.

2. The term "Companies" means Bay State and Northern.

ARTICLE II. *Description of Operational Services*

The operational services and facilities which Bay State or Northern is prepared to render and furnish, as requested from time to time by the Client, are set forth in general terms below. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Client.

1. *Operations and Maintenance.* Advise and assist Client in obtaining all needed expert operations and maintenance ("O&M") services as may be required to plan for the construction, operation, maintenance and repair of the Client's facilities in order to serve customers and meet the demands of the Client's gas distribution system. Examples of such O&M services may include, but are not limited to, the following activities: billing, maintenance of customer records, data entry, call center, revenue recovery, gas dispatch, field dispatch, scheduling, storage of equipment and materials, engineering, the supervision of construction of new mains and services of the distribution system, the analysis, design and planning for gas operation and distribution functions, the construction, maintenance and operation of gas distribution system, the maintenance of gas appliances and equipment, energy products and services, demand side management services, inventory management, transportation operation services, operational development, safety and any other operational functions which either Bay State or Northern is capable of supplying the other.

Schedule A

2. *Budget and Financial Services.* Advise and assist the Client in matters involving the preparation and development of operating and capital budgets and budgetary controls. Prepare and implement plans for financing the capital needs of the Client.

3. *Marketing and Advertising.* Advise and assist the Client in the preparation and use of advertising and marketing, managing the development of residential, commercial and industrial business, and carrying out sales activities.

4. *Metering Services.* Advise and assist the Client in connection with all aspects of meter reading, testing, replacement and calibration. Advise and assist with planning, installation and operation of radio networks, remote control and other electronic or automated metering devices and methodologies.

5. *Employee Services.* Advise and assist the Client in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare, employee benefits, and other human resource-related activities.

6. *Office Space.* As may from time to time be available, provide suitable office space for the use of the Client and its officers and employees.

7. *Officers.* The Companies may elect to any office of Bay State and/or Northern any officer or employee of Bay State or Northern. Services rendered to the Client by such person as an officer shall be billed to the Client and paid for as provided in Articles III and IV.

8. *Miscellaneous Services.* Render to Client such other operational services, not hereinabove described, and any administrative services related to operational services as may properly be rendered by the Companies to such Client within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Companies may be equipped to render and such Client may desire to have performed. The Companies may provide additional services, modify or exclude any of the described services as may be required in the future for the proper operation of Bay State and Northern.

Schedule A

ARTICLE III. *Computation of Compensation*

The amounts that the Client shall pay to the service provider (Bay State or Northern, as applicable) shall be determined as provided in this Article III.

All Operational Services

1. Specific Direct Salary Charges to Client

To the extent that time spent by the employees of Bay State or Northern engaged in rendering operational services to the specific Client, a direct salary charge, computed as provided in Article IV, shall be made to such Client.

2. Apportioned Direct Salary Charges to Client

To the extent that the time spent by such officers and employees is related to services rendered to Bay State and Northern generally, a direct salary charge, computed as provided in Article IV, shall be made to the appropriate Client generally, and allocated to the appropriate Clients on an equitable basis. See Attachment 1 of Schedule A for a list of the allocation bases to be used to distribute charges for Operational Services provided by or to Northern or Bay State, except for charges relating to Operational Services rendered by or to Bay State's Lawrence Division. See Attachment 2 of Schedule A for a list of the allocation bases to be used to distribute charges for Operational Services rendered by or to Bay State's Lawrence Division. See Attachment 3 of Schedule A for illustrative examples of the allocation bases and methods to be used to distribute charges for Operational Services specifically associated with the Inside Sales Group (e.g., Cost Center 05500), Gas Sales Management and Inside Sales Representatives (e.g., Cost Center 03500), Gas Sales and EP&S Management (e.g., Cost Center 05315), and Marketing and Advertising (e.g., Cost Center 03315). The data used for each basis will be updated semi-annually.

3. Apportionment of Employee Benefits

The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1) and (2) of Article III shall be apportioned based on a percentage of total benefits to total labor dollars.

Schedule A

4. *Other Expenses*

All expenses, other than salaries and employee benefit expenses, incurred by Bay State or Northern in connection with services rendered to a specific Client, such as travel expenses, shall be charged directly to the Client. All such expenses incurred by Bay State or Northern in connection with services rendered to Bay State and Northern generally, as described below, shall be apportioned in the manner set forth in subparagraph (2) of this Article III for the apportionment of salary charges. Such other general expenses ("Overhead") may include: rents; depreciation; amortization; interest; taxes; non-productive time of employees; compensation of employees performing office service functions; costs of general office supplies; charges for utility, maintenance and similar services; program fees and other fees; and all other such expenses normally treated as Overhead.

ARTICLE IV. *Computation of Direct Salary Charges*

The direct salary charge per hour which shall be made for the time of any employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

ARTICLE V. *Process for Payments*

1. *Statement of Charges*

As soon as practicable after the close of each month Bay State or Northern may issue to the Client an Invoice or make the appropriate inter-company journal entries (collectively a "Bill") with supporting Detail of Charges which will itemize the amounts due from the Client for Services, and other expenses for such month, computed pursuant to Articles III and IV. All amounts so billed shall normally be paid by the Client by the end of the month following the provision of such Operational Services and reflected as journal entries on the appropriate Client's General Ledger. To the extent required by law, all Bills rendered by Bay State or Northern to the Client shall be accompanied by a statement showing the manner in which such charged was determined and the cost to the Company of the service rendered.

Schedule A

2. *Information to be Furnished*

The Client will forward to the service provider from time to time, as requested, such financial and statistical information as the service provider may need to compute the charges payable by such Client upon such basis as may have been specified pursuant hereto.

ARTICLE VI. *Inspection of Records*

Each party agrees to keep its books and records available for inspection at all reasonable times by representatives of the Client in order that the correctness of the charges made hereunder for services to the Client may be verified by the Client.

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Schedule A
Attachment 1
April-03

Bay State Gas Company
& Northern Utilities
Three-Part Formula
Used to allocate certain shared costs
between Bay State and Northern
Based on 2002 Data
(in thousands)

Bases For Allocation	Bay State	New Hampshire	Maine	Total
(1) Gross utility plant less goodwill	$ 716,407,661	$ 88,515,163	$ 79,110,438	$ 884,033,262
% of Total	81.04%	10.01%	8.95%	100.0%
(2) O&M net of Total management costs	$ 60,309,678	$ 5,617,642	$ 4,230,291	$ 70,157,611
% of Total	85.96%	8.01%	6.03%	100.0%
(3) Number of retail customers	274,454	25,491	24,561	324,506
% of Total	84.58%	7.86%	7.57%	100.0%
Total %	251.58%	25.88%	22.55%	300.0%
% of Total	83.9%	8.6%	7.5%	100.0%

Calculation of O&M Costs (Non-BSG Management Fee Costs)	Bay State	New Hampshire	Maine	Total
O&M per financial books	$ 95,029,555	$ 9,461,368	$ 7,935,545	$ 112,426,468
less 2002 BSG allocated costs	$ (10,449,135)	$ (1,410,118)	$ (1,250,481)	$ (13,109,734)
less 2002 Northern allocated costs	$ (288,711)	$ (74,036)	$ (137,937)	$ (500,684)
less -company 12 Costs	$ (23,982,031)	$ (2,359,572)	$ (2,316,836)	$ (28,658,439)
O&M net of BSG Mgmt Costs	$ 60,309,678	$ 5,617,642	$ 4,230,291	$ 70,157,611
% of Total	86.0%	8.1%	6.0%	100.0%

Schedule A
Attachment 2
April-03

Northern Utilities, Inc
& Bay State Gas - Lawrence Division
Two-Part Formula
Used to allocate certain shared costs
between BSG-Lawrence, NUI-ME and NUI-NH
Based on 2002 Data

Bases for Allocation	Lawrence	New Hampshire	Maine	Total
(1) Gross utility plant less goodwill	$ 92,350,879	$ 88,515,163	$ 79,110,438	$ 259,976,480
% of Total	35.5%	34.0%	30.4%	100.0%
(2) Number of retail customers	44,063	25,491	24,561	94,115
% of Total	46.7%	27.1%	26.1%	100.0%
Total %	82.2%	61.1%	56.5%	200.0%
% of Total	41.1%	30.6%	28.3%	100.0%

Schedule A
Attachment 3
Page 1 of 4
April-03

Bay State Gas Company
& Northern Utilities
Cost Center 05500 Formula
Used to allocate certain shared costs
between Bay State and Northern
Based on 2002 Data

Bases For Allocating Non-Advertising Costs	Bay State	New Hampshire	Maine	Total
New Meters - 3 States	3674	606	398	4678
% of total	79%	13%	9%	100%
New Meters - 2 States	3674	606		4280
% of total	86%	14%		100%

Bases For Allocating FTE Positions		Mgr Bus Ctr 1.0	Cust Rep 13.5	Total FTE's 14.5
Acct #	**Description**			
518593	Capital -Rentals	5%	5%	0.73
641525	Inc State -Mdse Supervision-Labor	0%	0%	0.00
687914	C/S Supervison-Labor	0%	0%	0.00
687927	Ind/Lab O&M Svc Wk	5%	5%	0.73
689422	Rntl Maint-Admin Salary	10%	10%	1.45
691100	New Business Supervision	80%	0%	0.80
691600	Sales Misc	0%	80%	10.80
Total FTE's				14.50

Cost Center 05500 Allocation Results
Non-Advertising Costs

			Bay State	NH	ME
	3 State Allocation		**79%**	**13%**	**9%**
	2 State Allocation		**86%**	**14%**	
Acct #	**Description**	**Total FTE's**			
518593	Capital -Rentals	0.73	0.57	0.09	0.06
641525	Inc State -Mdse Supervision-Labor	0.00	0.00	0.00	0.00
687914	C/S Supervison-Labor	0.00	0.00	0.00	0.00
687927	Ind/Lab O&M Svc Wk	0.73	0.62	0.10	0.00
689422	Rntl Maint-Admin Salary	1.45	1.14	0.19	0.12
691100	New Business Supervision	0.80	0.63	0.10	0.07
691600	Sales Misc	10.80	8.48	1.40	0.92
		14.50	11.44	1.89	1.17
Final Allocation Percentages			**79%**	**13%**	**8%**

Schedule A
Attachment 3
Page 2 of 4
April-03

Bay State Gas Company
& Northern Utilities
Cost Center 05315 Formula
Used to allocate certain shared costs
between Bay State and Northern
Based on 2002 Data

Bases For Allocating Non-Advertising Costs	Bay State	New Hampshire	Maine	Total
New Meters - 3 States	3674	606	398	4678
% of total	79%	13%	9%	100%
New Meters - 2 States	3674	606		4280
% of total	86%	14%	0%	100%

Bases For Allocating FTE Positions		Director 1.0	C&I Rep 2.0	KA Rep 1.0	Total FTE's 4.0
Acct #	Description				
518593	Capital -Rentals	5%	0%	0%	0.05
641525	Inc State -Mdse Supervision-Labor	0%	0%	0%	0.00
687914	C/S Supervison-Labor	3%	0%	0%	0.03
687927	Ind/Lab O&M Svc Wk	0%	0%	0%	0.00
689422	Rntl Maint-Admin Salary	3%	0%	0%	0.03
691100	New Business Supervision	90%	100%	100%	3.90
691600	Sales Misc	0%	0%	0%	0.00
Total FTE's					4.00

Cost Center 05315 Allocation Results
Non-Advertising Costs

		Bay State	NH	ME
3 State Allocation		79%	13%	9%
2 State Allocation		86%	14%	
Acct #	Description	Total FTE's		
518593	Capital -Rentals	0.05	0.04	0.01	0.00
641525	Inc State -Mdse Supervision-Labor	0.00	0.00	0.00	0.00
687914	C/S Supervison-Labor	0.03	0.03	0.00	0.00
687927	Ind/Lab O&M Svc Wk	0.00	0.00	0.00	0.00
689422	Rntl Maint-Admin Salary	0.03	0.02	0.00	0.00
691100	New Business Supervision	3.90	3.06	0.51	0.33
691600	Sales Misc	0.00	0.00	0.00	0.00
		4.0	3.16	0.52	0.33
Final Allocation Percentages			79%	13%	8%

Schedule A
Attachment 3
Page 3 of 4
April-03

Bay State Gas Company
& Northern Utilities
Cost Center 03500 Formula
Used to allocate certain shared costs
between Bay State and Northern
Based on 2002 Data

Bases For Allocating Non-Advertising Costs	Bay State	New Hampshire	Maine	Total
New Meters - 3 States	3674	606	398	4678
% of total	79%	13%	9%	100%
New Meters - 2 States	3674	606		4280
% of total	86%	14%	0%	100%

Bases For Allocating FTE Positions		Mgr Install 1.0	B/D Rep 1.0	Rptg/Datab 1.0	Total FTE's 3.0
Acct #	Description				
518593	Capital -Rentals	10%	0%	0%	0.10
641525	Inc State -Mdse Supervision-Labor	90%	0%	0%	0.90
687914	C/S Supervison-Labor	0%	0%	0%	0.00
687927	Ind/Lab O&M Svc Wk	0%	0%	20%	0.20
689422	Rntl Maint-Admin	0%	0%	0%	0.00
691100	New Business Supervision	0%	100%	80%	1.80
691600	Sales Misc	0%	0%	0%	0.00
Total FTE's					3.00

Cost Center 03500 Allocation Results
Non-Advertising Costs

			Bay State	NH	ME
3 State Allocation			79%	13%	9%
2 State Allocation			86%	14%	
Acct #	Description	Total FTE's			
518593	Capital -Rentals	0.10	0.08	0.01	0.01
641525	Inc State -Mdse Supervision-Labor	0.90	0.77	0.13	0.00
687914	C/S Supervison-Labor	0.00	0.00	0.00	0.00
687927	Ind/Lab O&M Svc Wk	0.20	0.17	0.03	0.00
689422	Rntl Maint-Admin	0.00	0.00	0.00	0.00
691100	New Business Supervision	1.80	1.41	0.23	0.15
691600	Sales Misc	0.00	0.00	0.00	0.00
		3.0	2.44	0.40	0.16
Final Allocation Percentages			81%	13%	6%

Schedule A
Attachment 3
Page 4 of 4
April-03

Bay State Gas Company
& Northern Utilities
Cost Center 03315 Formula
Used to allocate certain shared advertising and marketing costs originating in Cost Centers 03500, 05315, & 05500
Based on 2002 Data

	Bay State	NH	ME
Guardian Care Campaign Distribution	92%	8%	0%

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: August 24, 2005

Responsible: Stephen H. Bryant, President

RR-AG-78: Attachment DTE-1-20(b) and Attachment DTE-1-20(c), dated February 20, 1998, and September 23, 1998 respectively, represent lease agreements with Fleet Capital for approximately 32,000 automated meter reading units from Itron. Confirm that the units were actually placed in service, and indicate the ownership of the units.

Response: The units were carried on the Company's books as construction work in progress until a significant number had been installed and placed in service. At that point, the units were removed from the Company's books when the units were sold to Fleet and leased back to the Company. The sale to Fleet was made at the book value of the units.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: August 24, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

RR-AG-092: Regarding response to DTE-6-13, provide the 2004 amount of fixed rent and lease expense.

Response: Table RR-AG-092 below lists the major components of lease expense as shown in DTE-6-13.

TABLE RR-AG-092

Item	Amount ($)
Westborough lease costs – Net of sub lease	1,020,420
Meter reading devices (ITRON primarily)	1,895,639
LNG Facilities	846,260
Leased Microwave lines	663,791
Other lease rent expense	671,096
Total	5,097,206

The Westborough building, the meter reading devices and the LNG facilities are tied to long-term leases with step up clauses. Specially, the LNG facilities have a step up in May 2006, the Westborough building in July 2006, and the meter reading devices over the next several years. The remaining lease expense is based on short-term agreements and generally driven by variable charges and turnover of equipment leased.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: August 24, 2005

Responsible: Danny G. Cote, Manager

RR-AG-96: If available, produce a copy of one of the system maps (circa 1970-1971), which was scanned into the Company's imaging system.

Response: The Brockton Division mapping system was set up in the 1971 – 1972 time frame.

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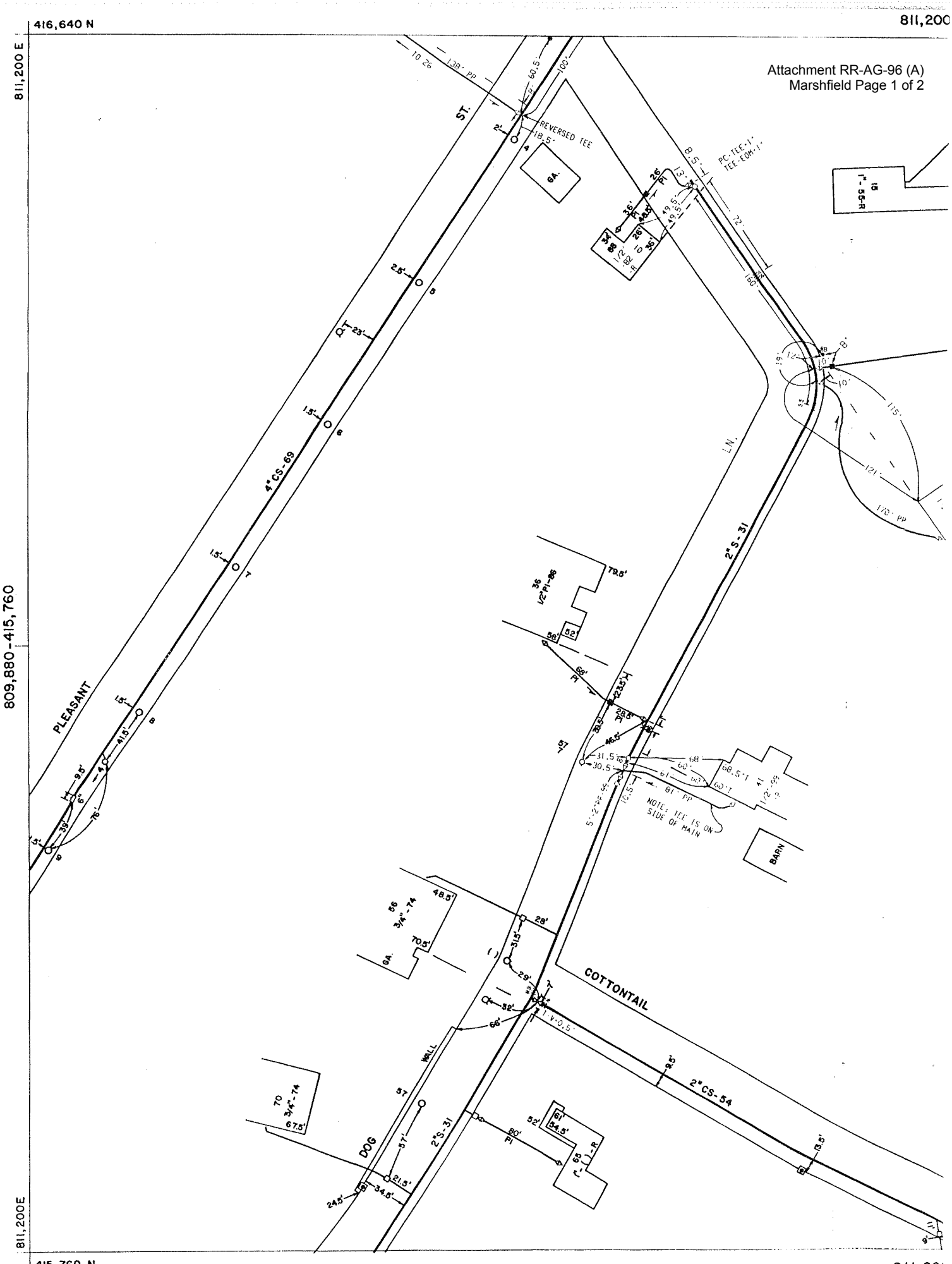
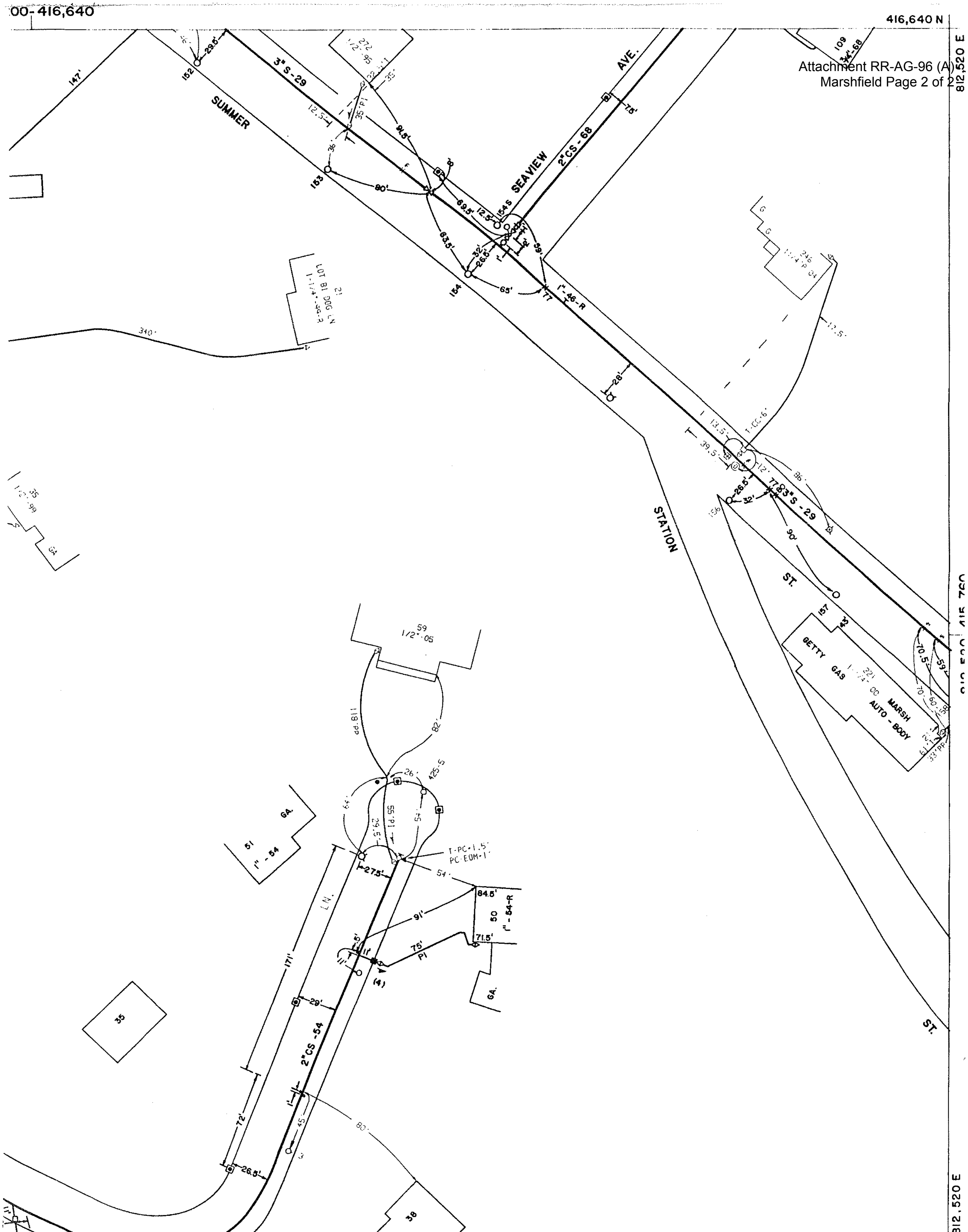
In 1990 all of the maps were scanned into a database that supports the CAD (computer aided drafting) system currently being used, and these maps are periodically updated.

See Attachments RR-AG-96 (A) and (B) for copies of two Brockton Division maps.



BAY STATE GAS CO. - BROCKTON DIV.

GAS UPDATE 07/2024



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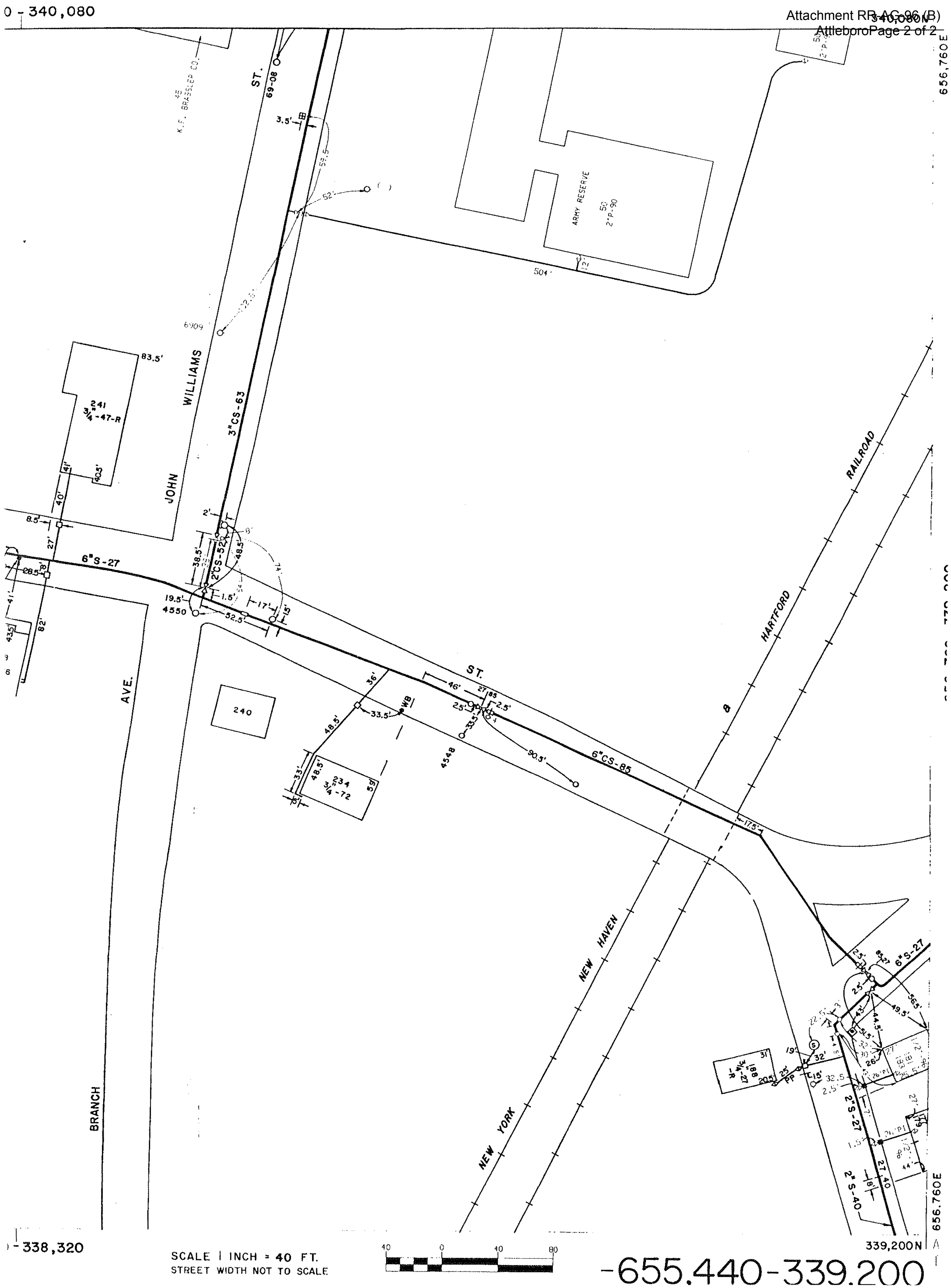
STREET WIDTH NOT TO SCALE

-811,200 - 415,760

BROCKTON TAUNTON GAS CO

GAS UPDATE 041105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340,080 N
656,760 E
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JOHN WILLIAMS ST.
3"CS-63
69-08
ARMY RESERVE
50
2"P-90
241
3/4"-47-R
6"S-27
2"CS-52
4550
ST.
6"CS-85
240
234
3/4"-72
4548
BRANCH AVE.
NEW YORK NEW HAVEN & HARTFORD RAILROAD
188
3/4"-27
-R
2"S-27
2"S-40
6"S-27
27-40
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656,760 E
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COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE ATTORNEY GENERAL
D.T.E. 05-27

Date: August 24, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

RR-AG-98: Provide the amount of the service-company rents that are fixed and included in the 2004 cost of service.

Response: Table RR-AG-98 below lists the major components of service-company rents. The I/C Office Space is tied to a long-term lease. The other items vary monthly and subject to price increases based on replacements, upgrades and turnover even though they are generally tied to a fixed, more short-term agreement.

Table RR-AG-98

Item	Amount ($)
I/C Office Space	1,347,833
Rents Other - Includes Cell Phones and Pages	502,179
Electronic Data Processing	354,375
Transportation (autos and aircraft)	84,039
Office Machines and Furnishings	7,895
Buildings & Land	6,202
	2,302,522

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: August 24, 2005

Responsible: Danny G. Cote, General Manager

RR-DTE-153: Provide incremental costs in DTE-3-21 for List No. 11, 16, 29, 30, 36, 42, 43, 44, 68, 79, 85, 95, 96, 98, 101 and 106.

Response: Bay State has consistently used the least cost pipe size and material that met the present and anticipated future requirements of the specific system design need when constructing its replacement main facilities. The Company made this determination based on its extensive operating experience and a full understanding of all of the various considerations that go into maintaining a safe, reliable, and cost effective natural gas distribution infrastructure over the long term. In addition, the Company replaced only the portion of each section of its system that was necessary to maintain service. Further, it should also be recognized that Bay State's facilities replacement practices did not always result in the Company realizing the maximum potential capacity possible, but rather resulted in the best overall value for ratepayers based on the Company's estimate of present and future system needs. In addition, the Company has demonstrated the prudence of these main replacement investments in the design and installation of its facilities as illustrated by it's success in reliably delivering natural gas to its customers under the more than peak demand weather conditions that were experienced in Massachusetts on January 16, 2004. Therefore, all of the main replacement investments Bay State has made in its system (including all of the examples shown below) should be included in the Company's plant in service and fully recovered as part of this rate case.

The following is a list of the common considerations the Company takes into account when designing replacement main facilities. Included are certain reasons why like-for-like size and material replacement are either not optimal (or in some cases even possible). In addition, Bay State also explains why it is prudent to build in necessary long-term system capacity during main replacement construction, including additional facilities as necessary, to increase system peak day capacity.

1. Standard industry practice is that, when replacing main facilities for (1) municipal improvement, (2) main replacements for safety and reliability, or (3) main replacements for any other cause, local distribution companies ("LDCs") should replace these facilities with sufficient capacity to meet future anticipated demand. This is because the cost of construction (typically between $55.00 and $150.00 per foot) is so great, and the excavation in the city streets and state highways is so disruptive to the public, that LDCs do not want to be faced with replacing facilities sooner than necessary due to inadequate capacity or too narrow an assessment of system load growth.

   In addition, when main replacement work is done in conjunction with municipal road work, then replacement costs to the LDC are typically much less than they otherwise would be. This is because the amount of pavement restoration needed to complete the LDC's work, which is a very expensive component of the total job, is usually much less than it otherwise would be.

   In sum, prudent and responsible LDCs must be proactive in designing these very expensive replacement facilities to supply anticipated future loads, because over time the costs to future customers would be much greater than otherwise necessary. The Company's main replacement strategy simply recognizes the basic economic principle that it is less expensive to do a job once than it would be to do it twice, particularly if the cause for having to do the job a second time is because the first design wasn't robust enough to meet reasonable expectations of future load requirements.

2. Incremental capacity through pipe enlargement is very inexpensive if done at the time of main replacement construction. For example, the incremental portion of a main replacement job (i.e., the portion of the total project costs related to pipe size and type) associated with replacing 4" bare steel with 4" coated, cathodically protected steel (which would be like-for-like replacement) is $16.31 per foot. The cost of performing this same replacement with 8" polyethelene is $17.09, a difference of $0.78 cents per foot. However, in terms of incremental system delivery capacity, the incremental investment of $0.78 cents per foot to purchase and install 8" polyethelene pipe produces two and one half times more system capacity than the 4" size-for-size replacement would produce.

3. Steel pipe is more expensive both to purchase and to install than the same diameter (or in many cases even larger diameter) polyethelene pipe, but also has more throughput capacity, because steel-piping systems can operate at higher pressures than polyethelene piping systems. For example, a 4" high-density polyethelene main at 99 PSI (it's maximum allowable operating pressure under current federal code) can deliver 202,934 cubic feet per hour ("CFH") of gas, while a 4" steel main at 200 PSI (well below it's maximum allowable distribution pressure) can deliver 476,542 CFH, an increase in capacity of roughly 235%.

   If LDCs, including Bay State, were to simply replace existing pipe with either the same type or same size of pipe (e.g., replace 2" bare steel pipe with new 2" coated cathodically protected pipe, or 4" bare steel with 4" coated steel pipe), then both the overall system cost and system capacity would be much greater than that which is actually occurring. However, recognizing the tradeoffs of capacity and cost in their systems, responsible operators design with the best mix of steel pipe where necessary to achieve higher operating pressures and more capacity, and polyethelene pipe to

capture lower installation costs where the system can accommodate lower pressures, with both designs producing the best overall result for customers.

So by following Bay State's current design practice of replacing bare steel (or cast iron) systems with an intelligent mix of same size polyethelene, larger diameter polyethelene, and occasionally, larger diameter coated steel, the Company provides it's ratepayers the greatest system safety and reliability at the best cost.

4. For cast iron replacement projects, either steel or plastic must be used as a replacement material. Since 1970, federal code has prohibited the use of new cast iron installations in distribution systems. In addition, MA CMR 220 requires that any cast iron that is undermined by construction, either by being crossed (excavated under) or by parallel trenching that may produce ground movement that could affect the cast iron, must be replaced.

   All calculations used to determine the appropriate replacement pipe type and size for purposes of responding to RR-DTE-153 are based on today's incremental costs and capacity analysis as provided in RR-DTE-105. These estimates are not adjusted for what the incremental cost differences might have been back to 1993, because the Company does not have the ability to easily reconstruct pipe and contractor cost comparisons from that time, and as a result cannot be totally accurate in assessing incremental construction differences. Further, for the basis of this analysis the current incremental cost per foot of new 12" coated, cathodically protected steel, which was not previously estimated as part of the Company's response to RR-DTE-105, is estimated to be $46.83 per foot based on recent pipe purchases ($23.33 p\f) and installation bids ($23.50 p\f).

   Finally, because cast iron and steel are closer material types than cast iron and plastic, and because steel has been used in the industry as the standard replacement material type for a longer period of time, this estimation comparison assumes that coated steel would be the material of choice for comparable estimating purposes when replacing cast iron.

   The remainder of this response specifically addresses the incremental costs associated with the following projects identified in DTE-3-21: List Nos. 11, 16, 29, 30, 36, 42, 43, 44, 68, 79, 85, 95, 96, 98, 101 and 106.

   List No. 11

   This project is associated with a municipal improvement project that included the replacement of 4,190 feet of 6" cast iron main, and 575 feet of 4" wrought iron, with 3,063 feet of 8" polyethelene and 703 feet of 4" polyethelene respectively. It should also be noted that this main was replaced because MA CMR 220 rules require that cast iron main potentially impacted by areas of construction must be replaced. Since cast iron is no longer an acceptable material to install in gas systems, the only other operational alternatives to compare like-for-like replacement is to use 6" coated steel or polyethelene, and for the basis of this analysis coated steel is used as the alternate material.

   The incremental cost difference for the various segments is as follows:

- 6" coated steel (to replace 6" cast iron) vs. the 8" polyethelene that was actually used is (minus) –$1.37 per foot or a saving of -$4,205 for this portion of the project.
- 46" coated steel (to replace 4" wrought iron) vs. the 4" polyethelene that was actually used is (minus) –$7.99 per foot or a saving of -$5,494 for this portion of the project.
- Further, since the Company did not simply put back all of the footage it took out of service it saved the actual average per foot project cost of $132.45 per foot or for the 999 feet of main it did not replace, the Company reduced the cost of this project by -$132,317.

Therefore, by replacing less expensive polyethelene pipe for steel pipe (which would be the case in like-for-like replacement) and by reducing the scope of the project and not replacing the total amount of main abandoned, the Company actually saved $136,522 compared to type-to-type, size-for-size, and length-for-length replacement.

List No. 16

This project is associated with the replacement of 741 feet of 2" coated steel main with 1006 feet of 12" and 10" coated steel main. This work was undertaken to tie-in the new Sharon Gate Station to the Brockton distribution system to provide an adequate gas supply to the Brockton system for peak day needs.

The incremental cost difference for the various segments is as follows:

- 2" coated steel (to replace the coated steel) vs. the 12" coated steel that was actually used is $36.31 per foot, or $26,905 for this segment of the project.
- Further, an additional 264 feet of pipe was installed that was not considered replacement pipe (to connect to the new gate station) at an average cost per foot of $102.99, or a total cost of $27,189.00.

Therefore, the total incremental difference in project cost is $54,094.

List No. 29

This project is associated with the replacement of 2000 feet of 4" cast iron main with 2000 feet of 8" polyethelene pipe. The purposes for the project included the replacement of 1898 Cast Iron and additional capacity to the area. Since cast iron is no longer an acceptable material to install in gas systems, the only other operational alternatives to compare like-for-like replacement to this would be to either replace the cast iron with 4" polyethelene, or 4" coated steel. And for the basis of this analysis the comparison is being based on 4" steel as, for the reasons stated it the assumptions, steel is the more similar material.

The incremental cost difference for the various segments is as follows:

- 4" coated steel (to replace the 4" cast iron) vs. the 8" polyethelene that was actually used is $.78 per foot or $1,560 for this project.

Therefore, the total incremental cost difference in this project compared to like-for-like replacement (substituting 4" coated steel for 4" cast iron) is $1,560.

List No. 30

This project is associated with the replacement of 3,870" feet of 8" bare steel main with 3702" feet of 12" coated, cathodically protected main. The purposes for the project included the replacement of 8" bare steel, and additional capacity to the area.
The incremental differences in costs for the various segments is as follows:

- 8" coated steel (to replace 8" bare steel) vs. the cost of 12" coated steel that was actually used is $21.15 per foot or $78,297 for this portion of the project.
- Further, by not replacing the total footage of main abandoned, the Company saved $38.87 per foot or $6,530 for the project.

Therefore the total incremental cost for 12" coated steel vs. 8" coated steel is $78,371 for the entire project minus the amount saved by not replacing the 8" steel for the entire job which equals $6,530, so the total incremental difference in project cost is $71,841.

List No. 36

This project is associated with the replacement of 650 feet of 2" bare steel, 240 feet of 4" cast iron, and 140 feet of 6" cast iron with 1,030 feet of 8" polyethelene. The purposes for the project included the replacement of the 2", 4", & 6" bare steel and cast iron, and to add additional capacity to the area.

The incremental differences in costs for the various segments is as follows:

- 2" coated steel (to replace the 2" bare steel) vs. the 8" polyethelene that was actually used is $6.57 per foot or $4,270 for this portion of the project.
- 4" coated steel (to replace 4" cast iron) vs. the 8" polyethelene that was actually used is $0.78 per foot or $187.20 for this portion of the project.
- 6" coated steel (to replace 6" cast iron) vs. the 8" polyethelene that was actually used is (minus) -$1.36 per foot or (minus) -$190.40 for this portion of the project.

Therefore, the cost difference in replacing this project size-for-size with steel main vs. the 8" polyethelene that was actually installed is $4,267.

List No. 42

This project is associated with the replacement of 1,360 of 2" bare steel, and 2,570 feet of 4" bare steel with 6,948 of 12" coated, cathodically protected steel. The purposes for the project included the replacement of the 2" & 4" bare steel, and to add additional capacity to the area.

The incremental differences in costs for the various segments is as follows:

- 2" coated steel (to replace 2" bare steel) vs. the 12" coated steel that was actually used is $36.31 per foot or $49,381 for this portion of the project
- 4" coated steel (to replace 4" bare steel) vs. the 12" coated steel that was actually used is $30.52 per foot or $78,436 for this portion of the project.
- Further, an additional 3,018 feet of 12" coated, cathodically protected steel was installed to provide sufficient capacity to meet our peak day load requirements in the area at a cost of $141.83 per foot or $426,986 for this portion of the project.

Therefore the total incremental cost of enlarging the size of the replacement pipe and expanding the project length to meet our system needs was $554,803.

List No. 43

This project is associated with the replacement of 1,030 feet of 2" bare steel, and 1,880 feet of 4" bare steel with 990 feet of 2" polyethelene and 2,282 feet of 8" coated, cathodically protected main respectively. This project was driven by municipal improvement work and the age and condition of the existing facilities.

The incremental cost difference for the various segments is as follows:

- 2" coated steel (to replace 2" bare steel) vs. the 2" polyethelene that was actually used is (minus) –$3.76 per foot or -$3,722 for this portion of the project.
- 4" coated steel (to replace 4" bare steel) vs. the 8" coated steel that was actually used is $9.37 per foot or $17,615 for this portion of the project.
- Further, an additional 402 feet of 8" coated steel was installed at an average cost of $38.55 per foot or $15,497.

Therefore the total incremental cost of enlarging the size of the replacement pipe and expanding the project length slightly was $29,390.

List No. 44

This project is associated with the replacement of 520 feet of 2" (poorly) coated 1954 steel with 2" coated steel, and 6,190 feet of 8" bare steel with 6,320 of 12" coated, cathodically protected steel. The purposes for the project included the replacement of the 2" & 4" bare steel, and to add additional capacity to the area.

The incremental cost difference for the various segments is as follows:

- There is no incremental cost difference in replacing 2" bare steel with 2" coated steel for this portion of the project.

- 8" coated steel (to replace 8" bare steel) vs. the 12" coated steel that was actually used is $21.15 per foot or $133,668 for this portion of the project.

Therefore the total incremental cost of enlarging the size of the replacement pipe and expanding the project length slightly was $133,668.

List No. 68

This project is associated with the replacement of 12,750 feet of 6" bare steel, 110 feet of 6" coated unprotected steel, 20 feet of 6" polyethelene, 781 feet of 4" bare steel, 40 feet of 3" bare steel, and 660 feet of 2" bare steel, with 13,390 feet of 12" coated steel, 27 feet of 6" polyethelene, 579 feet of 4" polyethelene, 371 feet of 2 " coated steel, and 306 feet of 2" polyethelene. The purpose of this project was to replace old bare steel pipe during municipal street reconstruction.

The incremental cost difference for the replacement of the 6" bare steel segment with the 12" coated steel replacement segment (which was the only substantive size difference in the project) is as follows:

- 6" coated steel (to replace 6" bare steel) vs. the 12" coated steel that was actually used is $28.38 per foot or $380,008.

Therefore the total incremental cost of enlarging the size of the replacement pipe was $380,008.

List No.79

This project is associated with the replacement of 98 feet of 2" bare and coated unprotected steel main, 17 feet of 4" coated unprotected steel main, and 5,496 feet of 4" bare and coated unprotected steel with 98 feet of 2" polyethelene and 5,496 of 4" & 6" polyethelene respectively (the 4" portion of this was 112 feet). This project was driven by municipal improvement work and the age and condition of the existing facilities.

The incremental cost difference for the various segments is as follows:

- 2" coated steel (to replace 2" bare or coated unprotected steel) vs. the 2" polyethelene that was actually used is (minus) –$3.76 per foot or -$368 for this portion of the project.
- 4" coated steel (to replace 4" bare or coated unprotected steel) vs. the 6" polyethelene that was actually used is (minus) –$4.68 per foot or -$25,721 for this portion of the project.

Therefore the total incremental cost savings by substituting polyethelene for steel (despite the increased pipe diameter) was a saving of -$26,089.

List No. 85

This project is associated with the replacement of 6,250" of 12" coated steel, 1,250 feet of cast iron, 80 feet of wrought iron, and 125 feet of 1.25" wrought iron, with 5,225 feet of 16" coated steel and 125 feet of 1" coated steel. This project was necessary because the MBTA who's property these facilities were on required us to relocate the gas facilities off of their ROW.

The incremental cost difference for the various segments is as follows:

- 12" coated steel (to replace 12" coated steel) vs. the 16" coated steel that was actually used is $62.17 per foot, which at today's cost would be $324,838 for this portion of the project.
- Since this is more than the entire cost of this project in 1995, which was $250,733, it is clear that using current costs for 16" coated steel installations is not a good basis for comparison.

Therefore the Company cannot produce a creditable cost difference analysis for this project due to the very limited use today of 16" coated steel, (thus there is little data on steel prices or contactor costs), and a lack of comparative incremental cost data for the difference between 12" and 16" installation in 1995.

All of that said, if forced to assign an incremental cost the Company estimates that 35% of the actual cost was related to the incremental difference in pipe size or approximately $87,756 in incremental cost for the total project.

List No. 95

This project is associated with the replacement of 6,587 3" bare steel, 660 feet of 1.5" bare steel, and 4,965 feet of 2" bare steel, with 6,187 feet of 8" coated steel main. This project was necessary due to municipal work in the area, and addressed both the age and condition of the existing facilities as well as providing increased capacity to the system.

The incremental cost difference for the various segments is as follows:

- 4" coated steel (to replace 3" bare steel) vs. the 8" coated steel that was actually used is $9.37 per foot or $57,972 for this portion of the project.
- That said, 6025 feet of 3", 2" and 1.5" bare steel was abandoned. If these facilities had simply been replaced size-for-size with 2" coated steel at an average total cost of $30.00 per foot, the total project would have cost an additional $180,750.

Therefore, by reducing the scope of the job and not replacing the entire length of pipe that was abandoned, the Company saved $122,778 despite the increase in pipe diameter on the portion of system that was replaced.

List No. 96

This project is associated with the replacement of 3,140 feet of 8" cast iron, 3,650 feet of 6" cast iron, 1,600 feet of 4" cast iron, 846 feet of 6" bare and unprotected coated steel, 200 feet of 4" bare steel, 2,015 feet of bare and unprotected coated steel, 280

feet of 2" bare steel, 380 feet of 4" wrought iron, 990 feet of 2" wrought iron, and 620 feet of 1.25" wrought iron pipe with 9,400 feet of 8" coated steel, 540 feet of 12" steel, and 4,033 feet of 2" polyethelene respectively. This project was necessary due to municipal work in the area, and addressed both the age and condition of the existing facilities as well as providing increased capacity to the system.

The incremental cost difference for the various segments is as follows:

- 8" coated steel (to replace 8" cast Iron) vs. the 12" coated steel that was actually used is an incremental $21.15 per foot or $10,998 for this portion of the project.
- 8" coated steel to (replace 8" cast iron) is like-for-like size and since cast iron cannot be used, steel is the closest material substitute, so there is no difference in cost for this portion of the project.
- 6" coated steel (to replace 6" cast Iron) vs. the 8" coated steel that was actually used is an incremental $7.23 per foot or $26,389 for this portion of the project.
- 6" coated steel (to replace 6" bare and coated unprotected steel) vs. the 8" coated steel that was actually used is an incremental $7.23 per foot or $6,116 for this portion of the project.
- 4" coated steel (to replace 4" bare steel and wrought iron) vs. the 8" coated steel that was actually used is an incremental $9.37 per foot or $5,434 for this portion of the project.
- 4" coated steel (to replace 3" bare steel) vs. the 8" coated steel that was actually used is an incremental $9.37 per foot or $15,966 for this portion of the project.
- 4" coated steel (to replace 4" bare steel wrought iron) vs. the 2" polyethelene that was actually used is an incremental saving of (minus) -$9.55 per foot or a saving of $2,970 for this portion of the project.
- 2" coated steel (to replace 2" bare steel and wrought iron) vs. the 2" polyethelene that was actually used is an incremental saving of (minus) -$3.76 per foot or $5,903 for this portion of the project.
- 2" coated steel (to replace 1.25" wrought iron) vs. the 2" polyethelene that was actually used is an incremental saving of (minus) -$3.76 per foot or $2,331 for this portion of the project.

Therefore the total incremental cost to the project was $53,699. This occurred as a result of enlarging the diameter of some sections as pipe to increase capacity, substituting polyethelene for coated steel pipe in other sections to reduce cost, while eliminated nearly 3 miles of old bare steel, wrought iron and cast iron, in an area of municipal construction.

List No. 98

This project is associated with the replacement of 4,220 feet of 4" bare steel main, and 160 feet of 2" bare steel main, with 4,220" of 8" coated steel and 160" of 2" polyethelene respectively. The purpose of this project was to replace old bare steel pipe during municipal street reconstruction, and to add thru-put capacity to the system.

The incremental cost difference for the various segments is as follows:

- 4" coated steel (to replace 4" bare steel) vs. the 8" coated steel that was actually used is an incremental $9.37 per foot or $39,541 for this portion of the project.
- 2" coated steel (to replace 2" bare steel) vs. the 2" polyethelene that was actually used is an incremental (minus) -$3.76 per foot or -$601 for this portion of the project.

Therefore the total incremental cost of enlarging the size of the replacement pipe minus the savings of substituting the 2" polyethelene for the 2" coated steel was $38,939.

List No. 101

This project is associated with the replacement of 4,509 feet of 4" bare steel, 513 feet of 6" coated steel, 220 feet of 4" coated steel 735 feet of 2" bare steel, with 5,246 feet of 8" coated steel. The purpose of this project was to add incremental capacity to the Seekonk system to avoid possible service interruptions during the winter of 1993\1994. As an additional benefit, approximately 1 mile of 4" and 2" bare steel was eliminated from the system.

The incremental cost difference for the various segments is as follows:

- 4" coated steel (to replace 4" bare steel) vs. the 8" coated steel that was actually used is an incremental $9.37 per foot or $42,249 for this portion of the project.
- 2" coated steel (to replace 2" bare steel) vs. the 8" coated steel that was actually used is an incremental $15.16 per foot or $11,142 for this portion of the project.

Therefore the total incremental cost of enlarging the size of the replacement pipe was $53,391 for the total project.

List No. 106

This project is associated with the replacement of 4,290 feet of 3" bare steel, and approximately 150 feet of assorted 2" and 3" coated steel mains with 4,290" of 8"coated steel, and approximately 150 feet of 4" and 2" polyethelene respectively. The purpose of this project was to add incremental capacity to the Brant Rock section of the Marshfield system to avoid possible service interruptions during the winter of 1992\1993. As an additional benefit, approximately 4,290" of 3" bare steel main was eliminated from the system.

The incremental cost difference for the various segments is as follows:

- 4" coated steel (to replace 3" bare steel) vs. the 8" coated steel that was actually used is an incremental $9.37 per foot or $40,197 for this portion of the project.

- 2" coated steel (to replace the assorted 2" and 3" coated steel segments) vs. the 2" polyethelene that was actually used is an incremental savings of (minus) -$3.76 per foot or a saving of -$564 for this portion of the project.

Therefore the total incremental cost of enlarging the size of the replacement pipe minus the savings of substituting the 2" polyethelene for the 2" coated steel was $39,633.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE D.T.E.
D.T.E. 05-27

Date: August 24, 2005

Responsible: Danny C. Cote, General Manager

RR-DTE-167: With reference to the Dog Lane, Marshfield map, please indicate whether or not the pipe labeled 4-inch CS-61 is cathodically protected.

Response:

Yes, both the 4" coated steel 1961 main on Dog Lane and the 4" coated steel 1969 main on Pleasant St. are catholically protected by a rectifier located on Pine St. in Marshfield (See RR-DTE-167 Attachment A, the highlighted entries).

The system was last tested on July 27th 2005 (See page 1 of Attachment A) by William Crowley of New England CP, and the testing verified that the system was protected. The Company's electronic records system indicates that these facilities have been under cathodic protection since at least 1987.

RR-DTE-167 (ATTACHMENT A)

New England CP, Inc.

294 EAST STREET, WEST BRIDGEWATER, MASSACHUSETTS 02379
PHONE: (508) 588-6274 FAX: (508) 588-1630

COMPANY: Bay State Gas Company - Brockton Division

DATE: July 27, 2005

TESTER: William Crowley

PROJECT: Pine Street Rectifier, Marshfield
063-100 XF

RESULTS AND CONCLUSIONS:

1. This rectifier system is protected.

2. The rectifier was operating at 2.76 amperes at 16.70 volts DC.

RECOMMENDATIONS:

1. Locate and raise (and bond) the following test stations:

   V13 - Old Main Street at Pleasant Street

Program: r-cms800.p
Date: 08/16/2005
Req By: Joan Furtado

Bay State Gas Company
Compliance Management System
Technician Worksheet

Test Name: Corrosion Main

Group ID	Main# Address	Pipe Size	Year	Length	WO#	Result	Repair	Test Date	Tested By
063-100	19945 Bridge St Marshfield MA	6 "	1981	186	632233-1	Protected			
						Unprotected		7/27/05	WCC
063-100	26359 Dog Ln Marshfield MA	4 "	1961	189	632754-1	Protected			
						Unprotected			
063-100	21008 Eames Way Marshfield MA	3 "	1960	2576	632234-1	Protected			
						Unprotected			
063-100	21442 Forest St Marshfield MA	6 "	1969	9934	632235-1	Protected			
						Unprotected			
063-100	24245 Forest St Inter P/W Off Marshfield M	1 1/4 "	1970	638	632251-1	Protected			
						Unprotected			
063-100	21608 Glen Rd Marshfield MA	2 "	1961	607	632232-1	Protected			
						Unprotected			
063-100	21899 Heather Hill Ln Marshfield MA	2 "	1966	935	632237-1	Protected			
						Unprotected			
063-100	21927 Heritage Hl Marshfield MA	2 "	1973	575	632238-1	Protected			
						Unprotected			
063-100	22000 Highland St Marshfield MA	6 "	1979	7473	632239-1	Protected			
						Unprotected			
063-100	22001 Highland St Marshfield MA	2 "	1967	1023	632240-1	Protected			
						Unprotected			
063-100	22371 Kimberly Ct Marshfield MA	2 "	1973	609	632241-1	Protected			
						Unprotected			
063-100	22713 Main St Inter furnac Marshfield MA	6 "	1970	1527	632242-1	Protected			
						Unprotected			

Continued on next page...

Bay State Gas Company
Compliance Management System
Technician Worksheet

Test Name: Corrosion Main

Group ID	Main# Address	Pipe Size	Year	Length	WO#	Result	Repair	Test Date	Tested By
063-100	22714 Main St Inter furnac Marshfield MA	6 "	1972	1223	632243-1	Protected / Unprotected		7/27/05	WCC
063-100	22737 Main St Inter furnac Marshfield MA	6 "	1967	1816	632244-1	Protected / Unprotected			
063-100	23468 Old Main S Marshfield MA	6 "	1969	1256	632245-1	Protected / Unprotected	RAISE T.S		
063-100	23469 Old Main S Marshfield MA	6 "	1985	585	632259-1	Protected / Unprotected			
063-100	23872 Pine St Marshfield MA	4 "	1972	873	632246-1	Protected / Unprotected			
063-100	23959 Pleasant St Marshfield MA	4 "	1968	1512	632247-1	Protected / Unprotected			
063-100	23960 Pleasant St Marshfield MA	4 "	1969	1461	632248-1	Protected / Unprotected			
063-100	23993 Pleasant St Marshfield MA	4 "	1969	1219	632249-1	Protected / Unprotected			
063-100	23995 Pleasant St Marshfield MA	4 "	1961	2894	632236-1	Protected / Unprotected			
063-100	24320 Pleasant St Inter P/W Off Marshfield	1 1/2 "	1972	340	632252-1	Protected / Unprotected			
063-100	24151 Prospect St Marshfield MA	6 "	1985	2566	632250-1	Protected / Unprotected			
063-100	24528 Riverside Cir Marshfield MA	2 "	1963	857	632253-1	Protected / Unprotected			

Continued on next page...

Program: r-cms800.p
Date: 08/16/2005
Req By: Joan Furtado

Bay State Gas Company
Compliance Management System
Technician Worksheet

Test Name: Corrosion Main

Group ID	Main# Address	Pipe Size	Year	Length	WO#	Result	Repair	Test Date	Tested By
063-100	24529 Riverside Cir Marshfield MA	2 "	1966	432	632254-1	Protected / Unprotected		7/27/05	WCC
063-100	24983 Spring St Marshfield MA	4 "	1975	749	632255-1	Protected / Unprotected			
063-100	24994 Spring St Marshfield MA	6 "	1984	7012	632256-1	Protected / Unprotected			
063-100	25451 Union St Marshfield MA	6 "	1985	4599	632257-1	Protected / Unprotected			
063-100	25468 Upland Rd Marshfield MA	4 "	1980	743	632258-1	Protected / Unprotected			

Total Length = 56,409

End of Report

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE USWA, AFL-CIO\CLC

D.T.E. 05-27

Date: August 24, 2005

Responsible: Stephen H. Bryant, President

SUPPLEMENTAL RESPONSE

RR-USWA 10: What was the cost of the online call-aid, and to upgrade the interactive voice-response system and the front-end call-switch? Also, include the cost of any other purchases or leases of technology at the Call Center for the purpose of improving service quality.

Response: Attachment RR-USWA-10 is a schedule that provides the original cost and net book value of all assets associated with the Springfield Call Center.

SUPPLEMENTAL RESPONSE: Attachment RR-USWA-10 was erroneously omitted from the Company's August 18, 2005 response, and is now included herein.

Springfield Call Center
Total Investment as of 6/30/05

	Yr. in Service	Book Cost	Depr Rate	Age	Net Book 6/30/2005
391 Office Equipment	1998	$1,138,527.01	0.1074	7yr	$282,582.41
	1999	92,924.26	0.1074	6yr	33,043.87
	2000	159,766.93	0.1074	5yr	73,972.09
	2001	12,815.36	0.1074	4yr	7,309.89
	2002	1,930.00	0.1074	3yr	1,308.15
		$1,405,963.56			$398,216.41

397 Communications Equip	Yr. in Service	Book Cost	Depr Rate	Age	Net Book 6/30/2005
	1999	$618,480.00	0.0531	6yr.	$421,432.26
	2003	89,805.31	0.0531	2yr.	80,267.99
		$708,285.31			$501,700.25

	Book Cost	Net Book 6/30/2005
Total Investment Call Center Springfield	$2,114,248.87	$899,916.66

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE USWA, AFL-CIO\CLC

D.T.E. 05-27

Date: August 24, 2005

Responsible: Stephen H. Bryant, President

RR-USWA-11: Please submit all documents received, or to be received, by Mr. Bryant, regarding IBM's administration, or proposed administration, of the Smithfield, PA call center.

Response: At this time, Mr. Bryant has not received any documents regarding IBM's administration, or proposed administration, of the Smithfield, PA call center. If Mr. Bryant receives any documents regarding this issue prior to the close of the record in this docket, this response will be supplemented.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO
RECORD REQUESTS FROM THE USWA, AFL-CIO\CLC

D.T.E. 05-27

Date: August 24, 2005

Responsible: Stephen H. Bryant, President

RR-USWA-13: Please submit any information Mr. Bryant receives about the IBM or Vertex management of call centers at other companies that have chosen to outsource with either company.

Response: At this time, Mr. Bryant has not received any information regarding the IBM or Vertex management of call centers at other companies that have chosen to outsource with either company. If Mr. Bryant receives any information regarding this issue prior to the close of the record in this docket, this response will be supplemented.